

Lake County Economic Forecast

Lake County is located in Northern California. The county is bordered principally by Mendocino to the west, Colusa to the east, and Napa County to the south. Tourism plays a large role in the county's economy due to several lakes and recreational areas located within the county. Lake County has a population of 63,250 people and 14,060 wage and salary jobs. The per capita income in the county is \$25,970, and the average salary per worker is \$34,180. The median family income in 2005 was \$42,750.

Total wage and salary employment declined by 330 workers or 2.3 percent in Lake County during calendar 2004. Non-farm employment declined by 360 jobs, a drop of 2.6 percent. Farm employment grew by 3.1 percent, adding 30 jobs. The unemployment rate fell slightly to 8.6 percent in 2004.

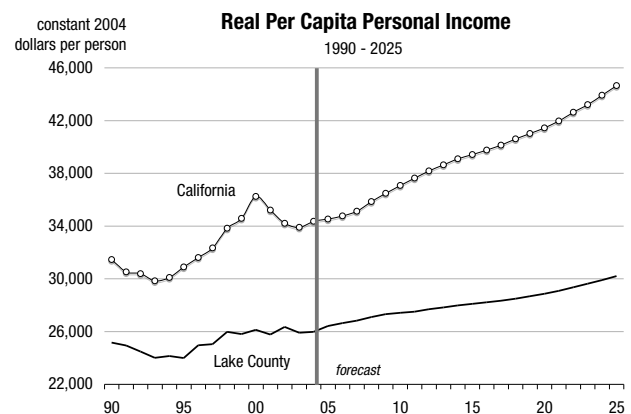
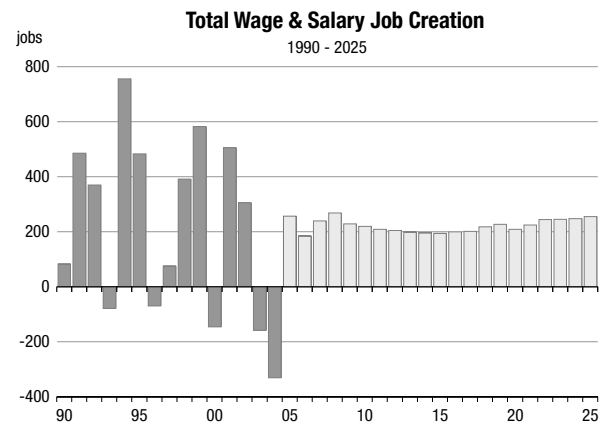
The principal sectors that are producing jobs in Lake County are farm and retail trade. The retail trade sector created the most new jobs last year, adding 78 new wage and salary workers. Other sectors in the county lost jobs last year, including professional services and government which lost 150 and 180 jobs respectively. The largest employment sectors in the county are retail trade, government, leisure services, and education and healthcare services.

The population grew in Lake County at a rate of 1.6 percent in 2004. The only two incorporated cities in the county are Clearlake and Lakeport. The population of the former shrunk 0.1 percent and the population of the latter grew 0.5 percent from January 2004 to January 2005. Net migration was positive last year, with an estimated total of 1,115 migrants entering the county.

Employment growth is expected to turn positive over the forecast period. Population growth will remain positive, and increase from current levels over the next several years.

Forecast Highlights

- Non-farm job growth is forecast to turn positive in 2005, increasing to 1.9 percent. Job growth is expected to remain positive over the next five years, and will average 1.7 percent per year over that time period.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 2.0 percent per year over the next 5 years.
- Between 2005 and 2010, the momentum for employment growth is in professional services, education and healthcare services, leisure services, and government. These sectors account for over 75 percent of all jobs created in the county over the next five years.
- The population in the county will continue to grow, and at a slightly higher rate than the state average. Annual growth



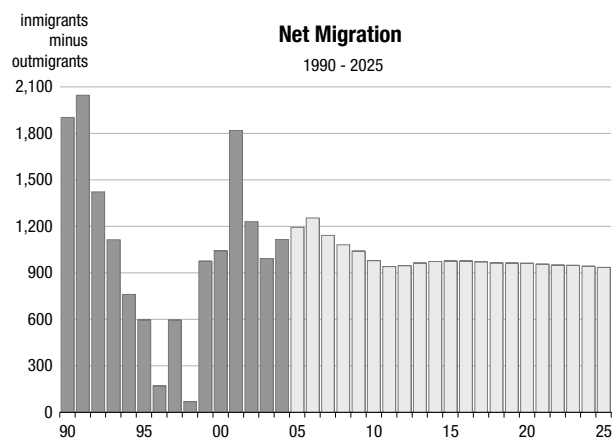
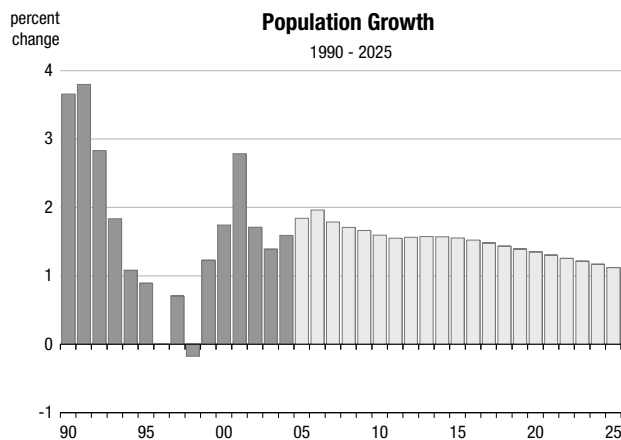
in the 2005 to 2010 period averages 1.7 percent per year. Average growth in the state during this same period is 1.5 percent per year.

- Net migration will increase to an estimated 1,200 people in 2005. Over the next five years net migration is expected to moderate slightly, averaging 1,100 net migrants entering the county per year.
- Real per capita income is forecast to increase 1.7 percent in 2005. Over the next five years real per capita incomes are expected to increase an average of 0.8 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 2.9 percent in 2005. Over the next five years real taxable sales are forecast to increase 2.5 percent per year.
- Industrial production is forecast to decline 0.5 percent in 2005. Over the next five years the growth rate of industrial production will turn positive, with total production rising 4.3 percent per year. Total crop production is expected to increase an average of 1.4 percent per year between 2005 and 2010.

Lake County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
1995	56,600	597	67.1	22.7	172	\$0.30	\$1.03	\$23,984	2.0	35.6	62.0	11.8
1996	56,600	171	68.0	22.8	103	\$0.32	\$1.10	\$24,959	2.3	62.0	59.5	11.8
1997	57,000	595	63.9	22.9	168	\$0.32	\$1.15	\$25,036	3.4	60.9	60.5	10.9
1998	56,900	69	66.1	23.0	84	\$0.34	\$1.23	\$25,966	3.2	50.0	65.0	9.7
1999	57,600	975	68.0	23.0	165	\$0.38	\$1.29	\$25,805	4.2	56.7	78.1	7.9
2000	58,605	1,042	72.1	24.0	187	\$0.41	\$1.39	\$26,129	4.5	59.1	72.0	6.7
2001	60,238	1,819	76.7	24.1	118	\$0.44	\$1.48	\$25,774	5.4	61.2	92.0	6.7
2002	61,269	1,230	78.7	24.1	313	\$0.44	\$1.57	\$26,344	1.6	65.8	112.9	7.9
2003	62,121	993	79.6	24.3	540	\$0.46	\$1.59	\$25,910	1.8	58.7	115.7	8.7
2004	63,110	1,115	80.8	24.6	571	\$0.50	\$1.64	\$25,974	1.2	59.8	113.9	8.6
2005	64,274	1,193	82.4	25.1	527	\$0.53	\$1.74	\$26,420	1.7	56.1	113.3	7.9
2006	65,537	1,254	84.1	25.5	458	\$0.56	\$1.83	\$26,643	2.7	55.1	114.1	7.7
2007	66,708	1,141	85.7	25.9	432	\$0.58	\$1.93	\$26,831	2.6	56.9	119.8	7.6
2008	67,849	1,081	87.2	26.3	414	\$0.61	\$2.03	\$27,095	2.6	58.3	126.2	7.4
2009	68,979	1,040	88.7	26.6	388	\$0.65	\$2.13	\$27,318	2.5	59.2	132.7	7.4
2010	70,080	979	90.2	26.9	375	\$0.68	\$2.23	\$27,421	2.7	59.9	139.4	7.5
2011	71,167	941	91.6	27.2	388	\$0.72	\$2.34	\$27,504	2.7	60.6	146.6	7.5
2012	72,280	947	92.9	27.6	399	\$0.76	\$2.46	\$27,688	2.8	60.3	153.3	7.4
2013	73,420	963	94.1	27.9	404	\$0.81	\$2.58	\$27,832	2.9	60.2	160.1	7.1
2014	74,576	973	95.3	28.2	406	\$0.85	\$2.71	\$27,983	2.9	60.3	166.8	6.9
2015	75,735	977	96.4	28.6	406	\$0.90	\$2.85	\$28,097	3.1	59.7	172.9	6.9
2016	76,888	976	97.6	28.9	404	\$0.95	\$2.99	\$28,212	3.0	60.2	179.9	6.8
2017	78,028	972	98.8	29.2	400	\$1.00	\$3.14	\$28,338	2.9	60.3	186.9	7.0
2018	79,149	965	99.9	29.6	398	\$1.05	\$3.29	\$28,492	2.7	61.8	195.4	7.0
2019	80,251	962	101.0	29.9	397	\$1.10	\$3.45	\$28,667	2.8	62.1	203.5	7.1
2020	81,336	961	102.0	30.2	396	\$1.16	\$3.61	\$28,861	2.7	61.6	210.5	7.0
2021	82,396	955	102.8	30.5	392	\$1.22	\$3.78	\$29,090	2.6	62.4	218.7	6.9
2022	83,431	950	103.6	30.9	390	\$1.28	\$3.97	\$29,360	2.6	62.4	227.1	6.9
2023	84,444	947	104.2	31.2	388	\$1.34	\$4.16	\$29,622	2.7	62.6	235.8	6.8
2024	85,433	943	104.7	31.5	384	\$1.41	\$4.37	\$29,898	2.7	62.8	244.8	6.8
2025	86,393	934	105.2	31.8	381	\$1.48	\$4.58	\$30,208	2.7	62.5	253.8	6.7



Lake County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1995	12.9	0.92	0.44	0.51	0.20	2.18	0.55	0.93	0.20	1.74	1.49	3.36
1996	12.8	0.86	0.45	0.45	0.22	2.29	0.48	0.86	0.20	1.77	1.45	3.43
1997	12.9	1.01	0.47	0.43	0.22	2.31	0.43	0.77	0.22	1.75	1.46	3.52
1998	13.3	0.97	0.53	0.45	0.23	2.31	0.42	1.06	0.22	1.81	1.50	3.43
1999	13.9	0.95	0.63	0.47	0.31	2.42	0.44	1.08	0.21	1.93	1.54	3.55
2000	13.7	0.93	0.66	0.49	0.20	2.21	0.44	1.24	0.18	1.75	1.56	3.71
2001	14.2	0.92	0.79	0.47	0.45	2.15	0.43	0.98	0.16	1.86	1.58	4.07
2002	14.5	0.84	0.78	0.43	0.65	2.21	0.42	0.99	0.15	2.05	1.59	4.04
2003	14.4	0.84	0.77	0.39	0.64	2.20	0.41	0.76	0.15	2.07	1.55	4.24
2004	14.1	0.87	0.72	0.32	0.66	2.29	0.42	0.61	0.16	2.09	1.53	4.07
2005	14.3	0.87	0.73	0.30	0.66	2.33	0.42	0.66	0.16	2.13	1.56	4.14
2006	14.5	0.87	0.76	0.29	0.67	2.35	0.41	0.69	0.17	2.17	1.57	4.20
2007	14.7	0.87	0.78	0.28	0.70	2.37	0.41	0.71	0.17	2.24	1.60	4.25
2008	15.0	0.86	0.80	0.28	0.73	2.40	0.41	0.75	0.17	2.33	1.63	4.29
2009	15.2	0.87	0.81	0.28	0.76	2.42	0.41	0.78	0.18	2.40	1.65	4.33
2010	15.5	0.87	0.82	0.27	0.79	2.44	0.40	0.82	0.18	2.47	1.67	4.36
2011	15.7	0.87	0.82	0.28	0.82	2.47	0.40	0.86	0.18	2.54	1.69	4.38
2012	15.9	0.87	0.82	0.28	0.85	2.50	0.40	0.89	0.18	2.60	1.71	4.41
2013	16.1	0.87	0.83	0.28	0.88	2.53	0.41	0.93	0.18	2.65	1.73	4.44
2014	16.3	0.87	0.84	0.28	0.90	2.56	0.41	0.95	0.18	2.71	1.75	4.46
2015	16.5	0.87	0.85	0.27	0.93	2.58	0.41	0.98	0.18	2.77	1.76	4.49
2016	16.7	0.87	0.86	0.27	0.96	2.61	0.41	0.99	0.18	2.83	1.79	4.53
2017	16.9	0.87	0.87	0.27	0.98	2.64	0.41	1.01	0.18	2.89	1.81	4.57
2018	17.1	0.87	0.88	0.27	1.02	2.67	0.40	1.02	0.18	2.96	1.82	4.61
2019	17.3	0.87	0.89	0.27	1.05	2.70	0.40	1.04	0.18	3.04	1.84	4.66
2020	17.5	0.87	0.89	0.27	1.08	2.74	0.40	1.05	0.18	3.12	1.84	4.71
2021	17.7	0.87	0.89	0.27	1.11	2.77	0.40	1.06	0.18	3.19	1.85	4.76
2022	18.0	0.87	0.89	0.27	1.15	2.80	0.41	1.08	0.18	3.28	1.86	4.82
2023	18.2	0.87	0.90	0.28	1.18	2.83	0.41	1.09	0.18	3.36	1.87	4.88
2024	18.5	0.87	0.91	0.29	1.22	2.86	0.41	1.11	0.18	3.45	1.87	4.94
2025	18.7	0.87	0.92	0.29	1.25	2.90	0.41	1.12	0.18	3.53	1.88	5.00

